

Management System: Budget and Financial Management

Subject Area: Accounting

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1.0 Introduction

This subject area encompasses the accounting and reporting processes for all financial accounting aspects of the U.S. Department of Energy (DOE) Environmental Consolidated Business Center (EMCBC) activities. Accounting processes include accounts receivable, travel, permanent change of station (PCS), cost accrual oversight, managing letters of credits, monthly closing activities, and year-end closing cycles and related financial reporting.

2.0 Contents

Procedures	Procedure Content
1. Preparing Financial Statement Analyses and Footnote Disclosures	<ul style="list-style-type: none">• Obtain and review requirements for 3rd quarter and Year-end Financial Statements.• Prepare Year-end Check List, Integrated Contractor (IC) Guidance Letters, 3rd quarter, and Year-end Calendar Development.• Review Inter-office and Inter-Entity Reports.• Analyze DOE direct financial data, IC Financial Statement, and Footnote Disclosures.• Prepare consolidated Financial Statement Analysis and Footnote Disclosure Package.• Prepare and submit Financial Statement to Headquarters (HQ).
2. Processing Month-End Closing Activities	<ul style="list-style-type: none">• Obtain Cash Collection Report.• Determine that all Procurement Requests (PRs) are in an approved state; verify that the EMCBC Integrated Support Center WTS is ready to close for monthly business.• Obtain WTS IC monthly cost file.• Upload spreadsheet to correct budgetary accounts for Federal advances.

Procedures	Procedure Content
	<ul style="list-style-type: none"> • Prepare and distribute monthly reports. • Analyze the detail level Standard Accounting and Reporting System (STARS) accounts and correct edits. • Obtain, consolidate, and verify IC Trial Balance Reconciliations.
<p>3. <u>Processing Permanent Change of Station(PCS)</u></p>	<ul style="list-style-type: none"> • Collaborates with HR Department on preparing PCS Packets. • Calculates estimated cost • Prepares PCS Travel Authorization Forms and assigned contracts • Inputs PCS Obligations in STARS
<p>4. <u>Travel Card Oversight</u></p>	<ul style="list-style-type: none"> • Generates monthly delinquency reports • Reviews current delinquent report • Follows up with the employee for a first time delinquent payment notification via –email • Follow up with the employee and employee’s supervisor for a second time delinquent payment notification. • Confers with employee’s supervisor on the potential suspension of the travel card for employees receiving a third notification of a delinquent credit card payment within a 6 month period. • Submits a yearly status report on non-travel card users unto EMCBC Senior Staff and Management at the respective serviced field offices for review. • Upon request of EMCBC Senior Staff Travel Card Coordinator will terminate any advised cards that are obsolete.
<p>5. <u>Preparing Quarterly Accounts Receivable Reports</u></p>	<ul style="list-style-type: none"> • Prepare, compare, and verify the STARS Trial Balance Report with IC reports. • Prepare and submit the Treasury Report on Receivables and Debt Collection Activities (TROR) using the HQ Receivables Consolidation System (RECONS). • Submit Integrated Contractor (IC) and Field Quarterly Accounts Receivable confirmation to Headquarters.

Procedures	Procedure Content
6. Cost Accruals	<ul style="list-style-type: none"> • Compile Monthly Cost Accrual Report • Review, adjustments, and approval of accrual information through the Vendor Invoice and Approval System (VIAS). • Sends out Monthly Cost Accrual reviews on selected sample items unto the selected approving officials, to determine the reasonableness of the cost accruals estimate. • Periodically train approval officials as requested.
8. Managing Letters of Credit Processes	<ul style="list-style-type: none"> • Prepare and submit Integrated Contractor (IC) solicitation package. • Integrated Contractor selects financial institution. • Provide copy of the Banking Agreement. • Establish Automated Standard Application for Payments. • Review Collateral Monitoring Recap Report; assure that collateralized amount is zero. • Perform monthly reconciliation of STARS Unpaid and ASAP Available Balances and add funds to ASAP as required from funding obligations.

3.0 Exhibits/Forms

- [How To Perform Zero Pay Entries in STARS](#)
- [Making Adjustments for Integrated Contractors Credits](#)
- [Month-End Confirmations](#)
- [Treasury Debt Management Services, Reporting Requirements for “TROR”](#)
- [Preparing Financial Statement Analysis & Footnote Disclosures](#)
- [Permanent of Change Station](#)
- [Gov. Trip](#)
- [Cost Accrual Overview](#)

4.0 Related Information

- *Abnormal Balance Report Guide (DOE SOP 1.1), Last Updated 12/19/2008*
- *Automated Time Attendance and Production System (ATAAPS) Process Instructions*
- *Obligation Reconciliation and 2108 Certification Standard Operating Procedures, dated 06/23/2011*
- *DEAR 970.32, Contract Financing*
- *DEAR 970.5232-5, Liability with Respect to Cost Accounting Standards*
- *DOE Accounting Handbook, Chapter 4, "Accounting Systems and Organization"*
- *DOE Accounting Handbook, Chapter 6, "Cash," including Attachment 6-4, "Solicitation for Financial Institution Services," and Attachment 6-5, "Sample Solicitation Letter"*
- *DOE Accounting Handbook, Chapter 8, "Receivables"*
- *DOE Accounting Handbook, Chapter 15, "Cost Accounting"*
- *DOE O 523.1, Financial Management Oversight*
- *FAR 52.230-2, Cost Accounting Standards*
- *FAR 52.230-6, Administration of Cost Accounting Standards*
- *FAR Part 30, Cost Accounting Standards Administration*
- *GovTrip eTravel for Government* (Choose "Department Of Energy", go to "Quick Links", and "On-line Reference/Help")
- *GovTrip eTravel for Government, Document Processing Manual* (Choose "Training")
- *ITFM 6, Treasury Financial Manual*
- *Integrated Contractor Summary of Cash Activity (Example)*
- *Integrated Contractor Trial Balance Reconciliation Certification Guide (Field Office), Last Updated 02/04/2008*
- *iPortal*
- *On-line Tutorial for Approving Invoices* (VIAS Login Required)
- *On-line Tutorial for Reviewing/Adjusting Accruals* (VIAS Login Required)
- *On-line Tutorial for Submitting an Invoice* (VIPERS Login Required)
- *Standard Accounting and Reporting System (STARS)*
- *Treasury Debt Management Services, Reporting Requirements for "TROR"*
- *Vendor Invoice Approval System (VIAS)*

5.0 Requirements

Document	Title
<u>AATAPS</u>	<i>Automated Time Attendance and Production System (AATAPS)</i>
<u>48 CFR, Chapter 99</u>	<i>Cost Accounting Standards Board Regulations</i>
<u>41 CFR 300-304</u>	<i>Federal Travel Regulations</i>
<u>DOE O 221.2A</u>	<i>Cooperation With The Office Of Inspector General</i>
<u>DOE O 322.1C</u>	<i>Pay and Leave Administration and Hours of Duty</i>
<u>DOE O 323.1, Administrative Change 1</u>	<i>Garnishment Of Federal Employees' Pay</i>
<u>DOE O 520.1A</u>	<i>Chief Financial Officer Responsibilities</i>
<u>DOE O 522.1</u>	<i>Pricing Of Departmental Materials And Services</i>
<u>DOE O 533.1</u>	<i>Collection From Current And Former Employees For Indebtedness To The United States</i>

DOE O 534.1	<i>DOE Accounting Handbook</i>
DOE M 552.1-1A	<i>U.S. Department of Energy Travel Manual</i>
DOE O 552. 1A,Administrative Change 1	<i>Travel Policy And Procedures</i>

6.0 Definitions

Term	Definition
Allottee	The organization which holds the allotment. The allotment is an authorization by the head of a Federal agency or another authorized employee for an employee to incur obligations within a specified amount pursuant to an OMB apportionment or reappropriation action, in accordance with OMB Circular No. A-11 or other statutory authority that makes funds available for obligation. Allotments convey legal limitations and are made on HQ F 2260.2, <i>Advice of Allotment</i> (internal form available from the Funds Distribution and Control Team [FDCT]).
Integrated Contractor	U.S. Department of Energy (DOE) contractor whose accounting system is integrated with the DOE accounting system through the use of reciprocal accounts – similar to a home office/branch accounting structure. Integrated Contractors report financial information using the Department’s standard general ledger accounting structure. They are financed through a checks paid letter of credit. The Integrated Contractor accounting system concept facilitates the transfer and consolidation of accounting data.
Letter of Credit (LOC)	The funding method utilized by the Federal government for financing grants, contracts, and other programs. The checks paid Letter of Credit (also known as ASAP 1031 or Payments Cleared Funding) is a modification of the Letter of Credit, whereby the recipient(s) (U.S. Department of Energy [DOE] Integrated Contractors) issues checks for program costs.

Recast	The realignment of financial data from one or more sets of account codes to a new set(s) of account codes.
Treasury Report on Receivables(TROR)	A US Department of Treasury Report that informs Federal decision makers of the receivables owed to Federal Agencies and the status of the Federal Government's debt portfolio.
Treasury	The US Department of Treasury serves as the financial agent for the US Government from which all appropriated funds are disbursed.
Uncosted Balance	The balance of the amounts obligated by the Department under its integrated management and operating contractor.
Asset	Any item of economic value owned by an individual, corporation, or government entity especially that which could be converted to cash. Examples are cash, securities, accounts receivable, inventory, office equipment, real estate, a car, and other property. On a balance sheet, assets are equal to the sum of liabilities, common stock, preferred stock, and retained earnings. From an accounting perspective, assets are divided into the following categories: current assets (cash and other liquid items), long-term assets (real estate, plant, equipment), prepaid and deferred assets (expenditures for future costs such as insurance, rent, interest), and intangible assets (trademarks, patents, copyrights, goodwill).
Liability	A liability is an obligation and it is reported on a company's balance sheet. A common example of a liability is accounts payable. Accounts payable arise when a company purchases goods or services on credit from a supplier. When the company pays the supplier, the company's accounts payable is reduced. Other common examples of liabilities include loans payable, bonds payable, interest payable, wages payable, and income taxes payable. Less common liabilities are customer deposits and deferred revenues. Deferred revenues come about when customers prepay a company for work to be done in a future accounting period.
Revenue	The total amount of money received by the company for goods sold or services provided during a certain time period. It also includes all net sales, exchange of assets; interest and any other increase in owner's equity and is calculated before any expenses are subtracted.

Expense	<p>Money spent or cost incurred in an organization's efforts to generate revenue, representing the cost of doing business. Expenses may be in the form of actual cash payments (such as wages and salaries), a computed expired portion (depreciation) of an asset, or an amount taken out of earnings (such as bad debts). Expenses are summarized and charged in the income statement as deductions from the income before assessing income tax. Whereas all expenses are costs, not all costs (such as those incurred in acquisition of income generating assets) are expenses.</p>
Government Equity	Assets- Liabilities= Net Position
Net Income	Income- Expenses= Net Income
Accrual Accounting	<p>Under the accrual basis accounting, revenues and expenses are recognized as follows: Revenue recognition: Revenue is recognized when both of the following conditions are met:</p> <ul style="list-style-type: none"> a. Revenue is earned. b. Revenue is realized or realizable. <p>Revenue is earned when products are delivered or services are provided. Realized means cash is received. Realizable means it is reasonable to expect that cash will be received in the future.</p> <p>Expense recognition: Expense is recognized in the period in which related revenue is recognized (Matching Principle).</p>
Accrued Cost	An un invoiced, unrecorded projected dollar value of cost incurred (or goods & services received) on a financial instrument.
Standard General Ledger(SGL) Accounts	A uniform listing of accounting that standardizes federal agency accounting and supports the preparation of standard external reports. SGL Chart of Accounts (1) provides control over all financial transactions and resource balances (2) satisfies basic reporting requirements of OMB and Treasury, and (3) integrates proprietary and budgetary accounting.
Proprietary Accounts	Those accounts maintained to record changes in net position and results of operations. The information collected and reported is consistent with that collected and reported by businesses.

	<ul style="list-style-type: none"> • 1000 Assets • 2000 Liabilities • 3000 Net Position • 5000 Revenues & Other Financing Sources • 6000 Expense • 7000 Gains, Losses, Misc. Items
Budgetary Accounts	<p>Those accounts created to facilitate compliance with the legal constraints and controls over the use of Federal Funds.</p> <ul style="list-style-type: none"> • 4000 Budgetary
Standard Accounting and Reporting System(STARS)	<p>The Standard Accounting and Reporting System(STARS) provides the Department with a modern, comprehensive, and responsive financial management system, that is the foundation for linking budget formulation, budget execution, financial accounting, financial reporting, cost accounting, and performance measurement.</p>
Vendor Invoice Approval System (VIAS)	<ul style="list-style-type: none"> • Provides real- time funding status • Invoice images • Electronic submittal of payment authorization • Receipts(costs) and Billings (payments) • Automatically recorded in STARS via interface
Automated Standard Application for Payment (Letter-of- Credit) Process ASAP	<ul style="list-style-type: none"> • Based on the amount of funds obligated to the management and operating contractor, the operations office notifies the Federal Reserve of the amount of funds that may be drawn down by the local bank for the management and operating contractor. • As checks are written and as they clear the bank, the local banks draw down funds from the Federal Reserve consistent with the terms of the field office- bank agreement and within the amount identified on the letter-of- credit authorization.
Travel Card Coordinator (TCC)	<p>As agency Program Coordinator (APD): Manages the travel card program and functions as the primary liaison between the cardholder(employee), government travel card holder provider, and Headquarter(HQ) travel organization.</p>

Delinquency	A debt on which payment is overdue.
Misuse	Includes any improper or fraudulent use of the government travel charge card, including any use at establishments or for purposes that are inconsistent with the official business of the Department of Energy (DOE) or with applicable standards of conduct. Improper use of the government charge card is defined as using the charge card for items or expenses that are not reimbursable as part of official travel or other official duties.